



3015 (02-02-05)

ANNUAL REPORT

OF

Name: WAUNONA SANITARY DISTRICT 2

Principal Office: 3325 THURBER AVENUE
MADISON, WI 53714

For the Year Ended: DECEMBER 31, 2004

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I TERRI WINANS of
(Person responsible for accounts)

_____, WAUNONA SANITARY DISTRICT 2, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

	01/24/2005
(Signature of person responsible for accounts)	(Date)

CLERK

(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAUNONA SANITARY DISTRICT 2

Utility Address: 3325 THURBER AVENUE
MADISON, WI 53714

When was utility organized? 4/30/1950

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: TERRI WINANS

Title: CLERK

Office Address:

3325 THURBER AVENUE
MADISON, WI 53714

Telephone: (608) 249 - 0705

Fax Number: (608) 249 - 7182

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: AIMEE MILLAN

Title: MANAGER

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP

TEN TERRACE COURT
P.O. BOX 7398
MADISON, WI 53707-7398

Telephone: (608) 240 - 2404

Fax Number: (608) 249 - 8532

E-mail Address: amillan@virchowkrause.com

President, chairman, or head of utility commission/board or committee:

Name: HAROLD BOHNE

Title: PRESIDENT

Office Address:

3325 THURBER AVENUE
MADISON, WI 53714

Telephone: (608) 249 - 0705

Fax Number: (608) 249 - 7182

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name:**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:****Date of most recent audit report:****Period covered by most recent audit:**

Names and titles of utility management including manager or superintendent:

Name: HAROLD BOHNE**Title:** MANAGER**Office Address:**3325 THURBER AVENUE
MADISON, WI 53714**Telephone:** (608) 249 - 0705**Fax Number:** (608) 249 - 7182**E-mail Address:**

Name of utility commission/committee: UTLITY COMMISSION

Names of members of utility commission/committee:

HAROLD BOHNE

JOHN JOHNSON

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?** NO**Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	113,297	122,924	1
Operating Expenses:			
Operation and Maintenance Expense (401)	99,582	125,449	2
Depreciation Expense (403)	4,027	3,867	3
Amortization Expense (404)	0	0	4
Taxes (408)	1,138	776	5
Total Operating Expenses	104,747	130,092	
Net Operating Income	8,550	(7,168)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	8,550	(7,168)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	1,590	1,324	9
Miscellaneous Nonoperating Income (421)	6,688	31,346	10
Total Other Income	8,278	32,670	
Total Income	16,828	25,502	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(1,075)	0	11
Other Income Deductions (426)	764	764	12
Total Miscellaneous Income Deductions	(311)	764	
Income Before Interest Charges	17,139	24,738	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	139	105	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	139	105	
Net Income	17,000	24,633	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	226,786	122,698	19
Balance Transferred from Income (433)	17,000	24,633	20
Miscellaneous Credits to Surplus (434)	0	79,455	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	243,786	226,786	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	113,297		113,297	1
Total (Acct. 400):	113,297	0	113,297	
Operation and Maintenance Expense (401):				
Derived	99,582		99,582	2
Total (Acct. 401):	99,582	0	99,582	
Depreciation Expense (403):				
Derived	4,027		4,027	3
Total (Acct. 403):	4,027	0	4,027	
Amortization Expense (404):				
Derived	0		0	4
Total (Acct. 404):	0	0	0	
Taxes (408):				
Derived	1,138		1,138	5
Total (Acct. 408):	1,138	0	1,138	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	8,550	0	8,550	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INVESTMENT INCOME	1,590	0	1,590	10
Total (Acct. 419):	1,590	0	1,590	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONREGULATED SEWER INCOME	6,688	0	6,688 12
Total (Acct. 421):	6,688	0	6,688
TOTAL OTHER INCOME:	8,278	0	8,278

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(1,075)		(1,075) 13
NONE	0	0	0 14
Total (Acct. 425):	(1,075)	0	(1,075)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		764	764 15
NONE	0	0	0 16
Total (Acct. 426):	0	764	764
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(1,075)	764	(311)

INTEREST CHARGES

Interest on Long-Term Debt (427):			
Derived	0		0 17
Total (Acct. 427):	0	0	0
Amortization of Debt Discount and Expense (428):			
NONE	0		0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	139		139 21
Total (Acct. 431):	139	0	139

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	139	0	139
NET INCOME:	17,764	(764)	17,000
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	148,095	78,691	226,786 23
Total (Acct. 216):	148,095	78,691	226,786
Balance Transferred from Income (433):			
Derived	17,764	(764)	17,000 24
Total (Acct. 433):	17,764	(764)	17,000
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 28
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	165,859	77,927	243,786

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	113,297	0	0	0	113,297	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	113,297	0	0	0	113,297	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	183,681	185,291	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	89,317	106,152	2
Net Utility Plant	94,364	79,139	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	160,143	160,143	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	125,576	122,373	4
Net Nonutility Property	34,567	37,770	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	34,567	37,770	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	28,709	12,885	8
Temporary Cash Investments (132)	32,058	26,266	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	44,096	46,450	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	70,021	67,275	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	609	580	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	175,493	153,456	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	304,424	270,365	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	243,786	226,786	23
Total Proprietary Capital	243,786	226,786	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	11,248	27
Accounts Payable (232)	40,215	32,286	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	45	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	40,215	43,579	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	20,423	0	36
Total Deferred Credits	20,423	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	304,424	270,365	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	185,291	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	138,181	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	45,500	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	183,681	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	66,291	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	23,026	0	0	0	12
Total Accumulated Provision	89,317	0	0	0	
Net Utility Plant	94,364	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	83,890				83,890	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	4,027				4,027	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,482				1,482	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	5,509	0	0	0	5,509	16
Debits during year						17
Book cost of plant retired	1,610				1,610	18
Cost of removal					0	19
Other debits (specify):						20
Est Reg Liab(253): Docket 05-US-105	21,498				21,498	21
					0	22
					0	23
					0	24
Total debits	23,108	0	0	0	23,108	25
Balance end of year (110.1)	66,291	0	0	0	66,291	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	22,262				22,262	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	764				764	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	764	0	0	0	764	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	23,026	0	0	0	23,026	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	160,143			160,143	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	160,143	0	0	160,143	
Less accum. prov. depr. & amort. (122)	122,373	3,203		125,576	3
Net Nonutility Property	37,770	(3,203)	0	34,567	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0 1
Other					0	0 2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	<u>0</u>	<u>0</u>

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE				1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		2
Balance end of year	0	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	1,138	2
Charged electric department expense		3
Charged sewer department expense	948	4
Other (explain):		
NONE		5
Total Accruals and other credits	2,086	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	1,896	7
PSC Remainder Assessment	190	8
Other (explain):		
NONE		9
Total payments and other debits	2,086	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
M&I NOTE PAYABLE	45	139	184	0	4
Subtotal	45	139	184	0	
Total	45	139	184	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	44,096	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	44,096	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
DELINQUENTS ON TAX ROLL	8,770	12
CURRENT YEAR TAX LEVY - BLOOMING GROVE AND MADISON	61,251	13
Total (Acct. 145):	70,021	
Prepayments (165):		
PREPAYMENT OF COMPUTER SUPPORT FEES	609	14
Total (Acct. 165):	609	
Extraordinary Property Losses (182):		
NONE		15
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
NONE		16
Total (Acct. 183):	0	
Payables to Municipality (233):		
NONE		17
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	20,423	18
NONE		19
Total (Acct. 253):	20,423	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	138,986	0	0	0	138,986	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	75,090	0	0	0	75,090	4
Customer Advances for Construction					0	5
Regulatory Liability	10,211	0	0	0	10,211	6
					0	7
Average Net Rate Base	53,685	0	0	0	53,685	
Net Operating Income	8,550	0	0	0	8,550	8
Net Operating Income as a percent of						
Average Net Rate Base	15.93%	N/A	N/A	N/A	15.93%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.5	1
Electric	0	2
Gas	0	3
Sewer	0.5	4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year					0	1
Add credits during year:						
Establish Regulatory Liability 1/1/04	21,498	0	0	0	21,498	2
Other (specify): NONE					0	3
Deduct charges:						
Miscellaneous Amortization (425)	1,075				1,075	4
Other (specify): NONE					0	5
Balance End of Year	20,423	0	0	0	20,423	

FINANCIAL SECTION FOOTNOTES

Interest Accrued (Acct. 237) (Page F-17)

If Interest Accrued During Year (for other than Bonds (221)) is non-zero AND the Notes Payable and Miscellaneous Long-Term Debt schedule shows a Principal Amount EOY of zero or less, please explain.

The district paid the final payment on a 12 month note payable on August 15, 2004. The end of year balance of the note payable is zero, however, interest expense was paid during 2004 in addition to interest accrued as of 12/31/03.

Balance Sheet End-of-Year Account Balances (Page F-18)

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

A/C 145 - \$8,770 of delinquent billings were placed on the tax roll in 2004 and had not been paid by Town of Blooming Grove as of year end.

A/C 145 - \$61,251 is the total amount of the 2004 tax levy owed by Madison and Blooming Grove.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

General footnotes

ACCOUNTANTS' COMPILATION REPORT

Waunona Sanitary District #2
Madison, Wisconsin

We have compiled the accompanying Annual Report to the Public Service Commission of Waunona Sanitary District #2, an enterprise fund of the Village of Waunona as of December 31, 2004 and for the 12 months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form prescribed by the Wisconsin Public Service Commission, information that is the representation of management. We have not audited or reviewed the Annual Report and, accordingly, do not express an opinion or any other form of assurance on the Report.

The Annual Report is presented in accordance with the requirements of the Wisconsin Public Service Commission which differ from generally accepted accounting principles. This report is intended solely for the information and use of the Utility and the Public Service Commission of Wisconsin, and is not intended to be, and should not be, used by anyone other than the specified parties.

VIRCHOW, KRAUSE & COMPANY, LLP

Madison, Wisconsin
January 24, 2005

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	76,062	85,864	1
Total Sales of Water	76,062	85,864	
Other Operating Revenues			
Forfeited Discounts (470)	644	683	2
Other Water Revenues (474)	36,591	36,377	3
Total Other Operating Revenues	37,235	37,060	
Total Operating Revenues	113,297	122,924	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	84,749	106,444	4
General Operating Expenses (680-690)	14,833	19,005	5
Total Operation and Maintenance Expenses	99,582	125,449	
Other Operating Expenses			
Depreciation Expense (403)	4,027	3,867	6
Amortization Expense (404)		0	7
Taxes (408)	1,138	776	8
Total Other Operating Expenses	5,165	4,643	
Total Operating Expenses	104,747	130,092	
NET OPERATING INCOME	8,550	(7,168)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	382	10,978	30,948	4
Commercial	42	9,280	16,793	5
Industrial				6
Total Metered Sales to General Customers (461)	424	20,258	47,741	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	432		26,743	8
Other Sales to Public Authorities (464)	11	522	1,578	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	867	20,780	76,062	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	26,743	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	26,743	
Forfeited Discounts (470):		
Customer late payment charges	644	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	644	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,028	7
Other (specify):		
MISCELLANEOUS	563	8
WATER PORTION OF TAX LEVY TO CITY OF MADISON AND TOWN OF BLOOMING GROVE	35,000	9
Total Other Water Revenues (474)	36,591	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	6,142	4,863	1
Purchased Water (610)	51,104	53,143	2
Fuel or Power Purchased for Pumping (620)		0	3
Chemicals (630)		0	4
Supplies and Expenses (640)	2,035	2,486	5
Repairs of Water Plant (650)	25,468	45,952	6
Transportation Expenses (660)		0	7
Total Plant Operation and Maintenance Expenses	84,749	106,444	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	4,835	6,405	8
Office Supplies and Expenses (681)	3,649	3,862	9
Outside Services Employed (682)	2,289	5,100	10
Insurance Expense (684)	1,459	1,619	11
Employees Pensions and Benefits (686)		0	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	2,601	2,019	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	14,833	19,005	
Total Operation and Maintenance Expenses	99,582	125,449	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		948	662	3
PSC Remainder Assessment		190	114	4
Other (specify): NONE			0	5
Total tax expense		1,138	776	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	374		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	374	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	1		4
Structures and Improvements (311)	3,556		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	1,044		11
Total Source of Supply Plant	4,601	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			374	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	<u>0</u>	<u>0</u>	<u>374</u>	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			1	4
Structures and Improvements (311)			3,556	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			0	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			1,044	11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	<u>4,601</u>	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			0	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			0	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	<u>0</u>	<u>0</u>	<u>0</u>	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	<u>0</u>	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	49,568		27
Fire Mains (344)	0		28
Services (345)	12,074		29
Meters (346)	54,697		30
Hydrants (348)	7,848		31
Other Transmission and Distribution Plant (349)	265		32
Total Transmission and Distribution Plant	124,452	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	2,845		34
Office Furniture and Equipment (372)	2,959		35
Computer Equipment (372.1)	3,280		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	1,280		38
Other Tangible Property (390)	0		39
Total General Plant	10,364	0	
Total utility plant in service directly assignable	139,791	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	139,791	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			49,568 27
Fire Mains (344)			0 28
Services (345)			12,074 29
Meters (346)	1,610		53,087 30
Hydrants (348)			7,848 31
Other Transmission and Distribution Plant (349)			265 32
Total Transmission and Distribution Plant	1,610	0	122,842
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			2,845 34
Office Furniture and Equipment (372)			2,959 35
Computer Equipment (372.1)			3,280 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			1,280 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	10,364
Total utility plant in service directly assignable	1,610	0	138,181
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	1,610	0	138,181

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	32,455		27
Fire Mains (344)	0		28
Services (345)	7,906		29
Meters (346)	0		30
Hydrants (348)	5,139		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	45,500	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	45,500	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	45,500	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			32,455 27
Fire Mains (344)			0 28
Services (345)			7,906 29
Meters (346)			0 30
Hydrants (348)			5,139 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	45,500
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	45,500
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	45,500

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January				0	1
February				0	2
March				0	3
April				0	4
May				0	5
June				0	6
July				0	7
August				0	8
September				0	9
October				0	10
November				0	11
December	40,638			40,638	12
Total annual pumpage	40,638	0	0	40,638	
Less: Water sold				20,780	13
Volume pumped but not sold				19,858	14
Volume sold as a percent of volume pumped				51%	15
Volume used for water production, water quality and system maintenance					16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				0	19
Volume pumped but unaccounted for				19,858	20
Percent of water lost				49%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss: See footnote explanation.					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				250	23
Date of maximum:					24
Cause of maximum:					25
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				150	26
Date of minimum:					27
Total KWH used for pumping for the year				0	28
If water is purchased: Vendor Name: CITY OF MADISON WATER UTILITY					29
Point of Delivery: FAIR OAKS & MILWAUKEE EAST WASHINGTON & COMMERCIAL					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
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NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
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NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

			Number of Feet					
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	2.000	1,195	0	0	0	1,195	1
M	D	6.000	20,053	0	0	0	20,053	2
M	D	10.000	2,487	0	0	0	2,487	3
Total Within Municipality			23,735	0	0	0	23,735	
Total Utility			23,735	0	0	0	23,735	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	379	0	0	0	379		1
M	0.750	1	0	0	0	1		2
M	1.000	2	0	0	0	2		3
M	1.500	8	0	0	0	8		4
M	2.000	2	0	0	0	2		5
Total Utility		392	0	0	0	392	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	532	0	92	0	440	0	1
0.750	16	0	0	0	16	0	2
1.000	28	0	0	0	28	0	3
1.500	9	0	0	0	9	0	4
2.000	5	0	0	0	5	0	5
3.000	2	0	0	0	2	0	6
Total:	592	0	92	0	500	0	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	385	22	0	2	0	31	440	1
0.750	0	5	0	3	0	8	16	2
1.000	0	5	0	6	0	17	28	3
1.500	0	9	0	0	0	0	9	4
2.000	0	2	0	0	0	3	5	5
3.000	0	1	0	0	0	1	2	6
Total:	385	44	0	11	0	60	500	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	27				27	2
Total Fire Hydrants	27	0	0	0	27	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

A/C 474 - \$35,000 - this is the water utility's portion of the tax levy paid by the Town of Blooming Grove and City of Madison. Per PSC letter dated 1/6/03, the district was directed to account for this amount in account 474 as it is received for operations and maintenance expenses.

Water Operation & Maintenance Expenses (Page W-05)

If Fuel or Power Purchased for Pumping (620), divided by the Total kWh Used for Pumping on the Source of Supply, Pumping and Purchased Water Statistics schedule, is less than 3 cents or greater than 12 cents, please explain.

Large amount of water main leaks as explained in other footnotes. Purchases far exceed usage.

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

A/C 650 - Repairs: Amount in account for both 2003 and 2004 relate to repair of water main due to water main breaks. Costs include contractor work, excavation, asphalt patching, etc. Larger number of main breaks in 2003 than in 2004.

A/C 682 - Outside Services: In 2003 the district incurred attorney fees and accounting fees to resolve issues with the Town of Blooming Grove for the retroactive payment of park lights.

Pumping and Purchased Water Statistics (Page W-12)

General footnotes

There were two very large water main breaks in 2004 - one near the Salvation Army and one near the Department of Corrections. Water was flowing all night as outside contractors trying to stop the breaks had a hard time trying to find where the break was occurring. The pipe was on the line to the Salvation Army rather than in the street so they could not turn the water off and the water ran all night while contractors were looking for the break.

In addition, the City of Madison contacted the district near the end of 2004 subsequent to taking video of sewer line. It was noted that clean water was coming into the sewer line - most likely from another main leak on Thurber Avenue. As noted, the district will be contacting a water leak detection service early in 2005.

Water Services (Page W-18)

If Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

The district does not have any services that are not in use at year end.

Meters (Page W-19)

If Tested During Year column total is zero, please explain.

Large number of meter changeouts in 2003 and 2004 - new meters installed rather than tested. 2003 report listed 224 meters added while 155 were retired. 2004 lists 92 retired as meter changeout program was completed.

WATER OPERATING SECTION FOOTNOTES

Meters (Page W-19)

Explain program for replacing or testing meters 1" or smaller.

See note above. Meters are tested on a rotating basis.

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

The district will begin testing station meters to adhere to PSC requirements.
